

# **TOWN OF DAVIE**

## **TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Chris Kovanes, Town Administrator

**PREPARED BY:** Ken Cohen, Assistant Town Administrator

**SUBJECT:** Ordinance

**AFFECTED DISTRICT:** Townwide

**TITLE OF AGENDA ITEM:** AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING A REVISION TO THE ESTIMATED REVENUES AND APPROPRIATIONS FOR THE FISCAL YEAR 2005.

**REPORT IN BRIEF:** During FY2004 questions arose regarding the amount of franchise fees received on the Towns franchise agreement with Waste Management. A firm, Expense Reduction Consulting, Inc. (ERC), was hired to audit Waste Managements calculations and payments of franchise fees. A good faith deposit of \$275,000 was made by Waste Management to the Town to cover all or part of any short fall found. As a result of this audit, Waste Management and ERC agreed on an additional amount due the Town of \$60,000. ERC's consulting contract entitles them to a \$30,000 consulting/audit fee for their services based on the settlement amount. Staff requests that \$30,000 of the \$275,000 be moved into account #001-0102-512-0502 "Special Projects" to pay ERC's contract.

Our current contract with Waste Management allowed the Town to hire a consultant to assist with the bid proposal process and contract (Section 9.5 "Proposal Preparation Expenses"). It specifies that Waste Management will pay up to \$75,000 to cover costs directly related to the proposal process. Staff requests that \$75,000 be moved into account #001-0102-512-0502 "Special Projects", to cover the cost of our consultant R.W. Beck of approximately \$53,000 and other costs directly related to the process.

This contract also requires a waste generation study be completed at Waste Management's expense (Section 9.10 "Adjustments to Generation Factors"). The Town's Bid Selection Committee will be recommending the firm of Brown and Coldwell to provide this waste weight generation study. The anticipated cost of the study is \$119,600. Staff requests the sum of \$119,600 be moved into account #001-0102-512-0502 "Special Projects", to cover this cost.

**PREVIOUS ACTIONS:**

**CONCURRENCES:**

**FISCAL IMPACT:** N/A

**RECOMMENDATION(S):** Motion to approve Ordinance

**Attachment(s):** Ordinance, Exhibit "A"

ORDINANCE \_\_\_\_\_

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING A REVISION TO THE ESTIMATED REVENUES AND APPROPRIATIONS FOR THE FISCAL YEAR 2005.

WHEREAS, the Town Council recognizes that sound fiscal management requires modifications to the adopted budgets, and

WHEREAS, changing operations of the Town require modifications to estimated revenues and appropriations to met the operational challenges facing governments, and

WHEREAS, it is in the best interest of the constituents of the Town that appropriations more accurately reflect the operations of the Town, and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie does hereby adopt said amendments to the budget as shown in Exhibit "A", for 2005 fiscal year.

SECTION 2. This ordinance shall take effect immediately upon its passage and adoption.

PASSED ON FIRST READING THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2005

PASSED ON SECOND READING THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2005

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

ATTEST:

\_\_\_\_\_  
TOWN CLERK

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2005

Exhibit "A"

Budget Amendment Summary

(Revenue) Appropriation of Unreserved Fund Balance "Good faith deposit from Waste Management"	\$275,000
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(Expense) Less:

Account Number

001-0102-512-0502	Franchise fee settlement	\$60,000	
	ERC audit fee	<u>(\$30,000)</u>	(\$30,000)
	Net Franchise fee revenue	<u>\$30,000</u>	(\$30,000)

Costs directly related to the proposal process:

001-0102-512-0502	R.J. Beck	(\$53,000)
001-0102-512-0502	Other costs-including town staff	(\$22,000)

Waste Generation Study:

001-0102-512-0502	Brown and Coldwell	<u>(\$119,600)</u>
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Remaining balance of Waste Management's Good Faith Deposit	<u>\$20,400</u>
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